



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[B-37-2020]

Foreign-Trade Zone (FTZ) 75 – Phoenix, Arizona;
Notification of Proposed Production Activity;
Lucid Motors USA, Inc.;
(Electric Automobiles and Subassemblies);
Casa Grande and Tempe, Arizona

Lucid Motors USA, Inc. (Lucid Motors) submitted a notification of proposed production activity to the FTZ Board for its facilities in Casa Grande and Tempe, Arizona. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on June 2, 2020.

The Lucid Motors facilities are located within Subzone 75N. The facilities will be used for the production of electric passenger automobiles and subassemblies. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Lucid Motors from customs duty payments on the foreign-status components used in export production. On its domestic sales, for the foreign-status materials/components noted below, Lucid Motors would be able to choose the duty rates during customs entry procedures that apply to electric passenger vehicles (for nine or less people), lithium-ion battery packs for electric vehicles, drive inverters, AC motors, DC/DC converters, and differentials (duty rate ranges from duty-free to 3.4%). Lucid Motors would be able to avoid duty on foreign-

status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The components and materials sourced from abroad include: rigid plastic tubing (ethylene; propylene; vinyl chloride); plastic tubes (having a minimum burst pressure of 27.6 MPa; not reinforced, without fittings; not reinforced, with fittings; reinforced); plastic components (fittings for hoses; gap pads; caps and closures; plugs; door handles; trays; baffle inserts; brackets; cable supports; cable ties; clips; fasteners; gaskets; mounts and fittings; O-rings; seals; washers; converter covers; vents; brake hoses; seat organizers); electrical tape; self-adhesive plastic components (sheet in rolls; tape; film; labels; strips); separators (polyethylene; polypropylene; air particle); butadiene-styrene-alkyl-methacrylate copolymer; styrene-butadiene rubber; rubber hoses (not reinforced, with or without fittings; reinforced, with or without fittings); radial tires; rubber components (O-rings; rings; seals; gaskets; washers; bumpers; grommets; bushings); natural rubber spring isolators; paper labels; carpet; passenger window tempered safety glass; windshields of laminated safety glass (not framed and not fitted; cut-to-size, framed to fit, framed with ceramic frit coating); nickel plated steel sheet; steel components (pipes for rotors; pipe bends and elbow fittings; tube fittings; mesh; bolts; screws; locknuts; nuts; plugs; studs; washers; dowel pins; leaf springs; springs; caps; clamps; clips; retainer plates; rings; hinges; brackets; mountings; fittings for motor vehicles); iron leaf springs; copper components (solid bars for rotors; profiles for rotors; shield plates; foil; ferrules); brass standoffs; nickel alloy plates; aluminum bonding wire (not alloy); aluminum alloy bonding wire; aluminum alloy sheets; aluminum components (foil; tube fittings; spacers; clamps; castings; forgings; plugs; hinges; brackets, mountings, fittings,

bushings for motor vehicles; cooling tubes; wheels); assemblies operated by a key or radio wave signal (deck lid/trunk latch; side door latch); tubular keys; hood latches not containing any locking mechanism; metal door handles not containing lock or latch assemblies; brazing rings; electromechanical brake boosters; pumps (displacement; electric oil; centrifugal); reservoirs (brake fluid; coolant); compressors; vent fans for cooling systems; fans for center console controllers; compressor tubes; compressor discharge fittings; hose assemblies for air conditioner systems; battery chillers; heat exchangers; coolant heaters; assemblies (radiator/condenser; drive unit; printed circuit board (for: converters; inverters; power supplies; controllers; distribution); occupant detection sensor; seatbelt adjuster; cross member; door switch plate; suspension; axle); heat exchanger coil springs; oil filters; housings (for: air filters; flange bearings; motors; drive inverters; visual signaling equipment; lighting equipment; controllers; junction boxes; plastic connectors; gear boxes); windshield washer reservoir assemblies with motor; windshield washer nozzles; pressure relief valves; check valves; coolant manifolds; valve bodies; bearings (ball; wheel; tapered roller); door components (actuators; rocker panels; dampeners; strikers; pockets); AC electric motors exceeding 150kW; electric vehicle motors/drive units; bearing end bells; heat sinks for drive units; stators and components (laminations; plastic pipes; stacks); motor gear cases; rotors and components (endcaps; shafts; stacks; aluminum spacers); electrical transformers; DC/DC converters; driver inverters; controllers for electric motors (direction; speed drive); wireless Qi charging modules; ferrite beads; power inductors; inverter heat sinks; metal magnets; 12V batteries; finished lithium-ion batteries; finished lithium-ion battery packs for electrically powered vehicles; lithium-ion battery cells; battery exhaust ducts;

connectors (battery; printed circuit board assembly; wire harness; lug); finished battery pack enclosures; lithium-ion battery module insulators; lithium-ion battery modules; lithium-battery enclosure side rails; terminal plates; lithium-ion battery cell top plates; silicon rubber vents; lights (back panel; interior; dashboard; side exterior nose; license plate); lamps (taillight; trunk and/or luggage compartment; position; headlight; fog light; glove compartment; map; ashtray; dome light; sealed beam; tungsten halogen); light bars; interior roof lighting modules; visual signaling equipment (lamps (turn signal; brake; stop; parking; running; reverse/back up); reflectors/markers; horns); windshield wipers; defrosters; demisters; microphones for hands-free use of phone input to vehicle sound system; loudspeakers (single; multiple); microphone and loudspeaker sets; audio amplifiers; speaker grills; cameras (with or without monitors); blind spot detection radars; vehicle GPS tracking devices; radio receivers (AM/FM; satellite); antennas; capacitors (fixed; aluminum; ceramic dielectric (single layer; multilayer); plastic); fixed resistors (composition; film); thermistors; printed circuits; busbars; fuses; automotive signaling flashers; electrical relays; electrical switches; pin receptacles; junction boxes; lug connectors; terminal lugs; terminals; controller boards; switchboards; contactors; junction box plates; sensors (wheel speed; battery); electronic control units; magnet wires (aka winding wire); wire harnesses; cables for voltage not exceeding 1,000V (alone or fitted with connectors); insulated busbars (for: a voltage not exceeding 1,000V and fitted with connectors; a voltage exceeding 1,000V); insulated grounding wire for a voltage not exceeding 1,000V (fitted or not fitted with connectors); cable for a voltage exceeding 1,000V (alone or fitted with connectors); subframes; body panels; bumper components (fascia; air inlet; reinforcement beam); seat belts; seat belt webbing; cross

members; fenders; hoods; body stamped components (door panel; floor panel; electric charger port door; hinge door; door skin; windshield molding); visors; torque boxes; cables (hood; decklid; door); trunk liners; cargo restraint nets; stoppers (brake pedal; accelerator pedal arm); interior door trim/molding; dashboard panels; air ducts; glove compartment doors; pillars; trunk lids; window lift mechanisms; brake components (brake discs/rotors; plates (metal backing; anchor); brake line brackets; shoes; drums; hubs; rotors; rotor shields; spindles; brake pads; shims; pistons; piston boots; boot rings; calipers); gears and components (boxes; carriers; shims); suspension systems and components (coil springs; assemblies (link; control arm); camber link bushings; shocks; struts; axle damper forks; dampers; damper dust boots; damper spring modules; knuckles; ride height sensor drop links); radiator shrouds; radiators; steering columns and components (power steering assemblies; intermediate shafts; intermediate shaft assemblies); steering wheels; steering boxes; safety airbags; accelerator pedals; sound absorbing insulation; lenses for automotive headlight lamps, parking lamps, and signal lamps; automotive navigation apparatus (electronic control units); tire pressure management systems; motor vehicle seats; lumbar seat bolsters; and, motor vehicle seat upholstery (duty rate ranges from duty free to 9.0%). The request indicates that finished lithium-ion batteries, finished lithium-ion battery packs for electrically powered vehicles, lithium-ion battery cells, lumbar seat bolsters, and motor vehicle seat upholstery will be admitted to the zone in privileged foreign (PF) status (19 CFR 146.41), thereby precluding inverted tariff benefits on such items. The request also indicates that certain materials/components are subject to duties under Section 232 of the Trade Expansion Act of 1962 (Section 232) or Section 301 of the Trade Act of 1974

(Section 301), depending on the country of origin. The applicable Section 232 and Section 301 decisions require subject merchandise to be admitted to FTZs in PF status.

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Juanita Chen at juanita.chen@trade.gov or 202-482-1378.

Dated: June 10, 2020.

Andrew McGilvray,
Executive Secretary.

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